

**PROJECT DOCUMENT****Turkmenistan**

**Project title:** Work plan between the Ministry of Health and Medical Industry of Turkmenistan and United Nations Development Programme on procurement of medicines, reagents and consumables for the control of infectious diseases in 2019-2020 (*Sustaining quality health services for the people of Turkmenistan through procurement of medical products for the Ministry of Health and Medical Industry of Turkmenistan*)

**Project number:** № 00104976

**Implementing partners:** Ministry of Health and Medical Industry of Turkmenistan  
Directorate of Centres for Infectious Diseases

**Start date:** 01/08 2019 **CCM meeting date:** \_\_/\_\_/2019

**End date:** 31/12/2020

**Project Brief**

This project will provide technical support to the Ministry of Health and Medical Industry of Turkmenistan in the procurement of health products for the needs in 2019 - 2020 to ensure quality health services in:

- Tuberculosis
- HIV
- Safe blood transfusion
- Viral hepatitis C
- Other health programmes, if required

The project will complement the UNDP TB project funded by the Global Fund to Fight AIDS, tuberculosis and malaria.

**Contributing Outcome (UNDAF/CPD, RPD or GPD):**

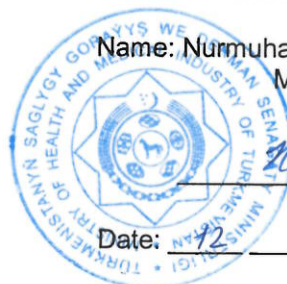
**Outcome 4:** The people of Turkmenistan, especially vulnerable groups, enjoy better coverage of quality health care services focusing on women and child health, nutrition, non-communicable diseases (NCDs), Multiple Drug Resistant Tuberculosis (MDR-TB), early detection and early prevention of diseases.

Indicative Output(s) with gender marker: Indicative Output(s): **4.7** TB and MDR-TB incidence rate disaggregated by sex, education, age and urban/rural groups: Baseline: 42.6/100.000 (2014), Target: 20% reduction of 2014 baseline by 2020.

**GEN1** – Limited contribution to gender equality.

Agreed by:

**Ministry of Health and Medical Industry of Turkmenistan**



Name: Nurmuhamet Amannepesov,  
Minister

*N. Amanrep*

Date: 12 07 2019

**United Nations Development Programme**

Name: Natia Natsvlishvili,  
Resident Representative a.i.



Date: 12 07 2019

<b>Total resources required:</b>		<b>USD 11,522,567.27</b>
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	0
	<b>Government:</b>	<b>USD 11,522,567.27, including Restitution Funds from the Swiss Government</b>
	<b>In-Kind:</b>	0
	<b>Other</b>	0
<b>Unfunded:</b>		0



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## I. SITUATION ANALYSIS

### *Introduction*

Under the leadership of the President of Turkmenistan, Gurbanguly Berdimuhamedov, and based on the "Health of the People is the Wealth of the Country" principle, Turkmenistan makes major public health care efforts to prevent and eliminate diseases, and to develop healthcare system and medical industry, on its way towards global level standards. On 17 July 2015, the President of Turkmenistan approved the State Health ("Saglyk") Programme, which aims to improve public health and well-being, increase average life expectancy, provide comprehensive equal opportunities and health protection to its citizens, and to create an improved and efficient healthcare system. The *Saglyk* Programme was developed in line with the WHO Health-2020 policy which is the framework for the policies and practices in the countries of the WHO European Region.

The Government of Turkmenistan is committed to fight against tuberculosis and other communicable diseases and funds the majority of the relevant programmes. The most important factor is the steady increase of domestic investments in health care which is the basis for sustainable work of the healthcare systems. Within the *Saglyk* Programme, priority is placed, inter alia, on the anti-tuberculosis activities, acute respiratory diseases and sexually transmitted infections. It is well noted that the Programme will improve funding of the pharmaceutical provisions for the cancer, diabetes, viral hepatitis, tuberculosis, hemophilia and other patients.

Medical drugs and health supplies are important to address health issues and improve the quality of life. They are an integral part of the disease prevention, diagnostics and treatment, as well as a solution of the disability-related and functional limitations' problems. Improvement of access to the essential medicines and medical supplies is of critical importance for achievement of the universal coverage with healthcare services and is recognized as an essential component of effective healthcare systems.

The Ministry of Health and Medical Industry of Turkmenistan (MoHMI) collaborates with the UN agencies in various health care areas within the Partnership Framework Programme for 2016 – 2020 signed between the Government of Turkmenistan and the United Nations, including the Children's Fund (UNICEF), the Population Fund (UNFPA), WHO and the United Nations Development Programme (UNDP). UNDP and the MoHMI have a wide range of health cooperation: tuberculosis control, HIV prevention, donor blood safety and reproductive health, with an annual budget of about \$ 5.0 million. The Government of Turkmenistan and the Global Fund provide funding for health-related projects executed by UNDP. Because of increased levels of economic development of Turkmenistan, the Government needs to look at the feasibility of increasing funding

In 2018, UNDP and the MoHMI signed a single agreement on procurement for TB, HIV, reproductive health, safe blood transfusion services for a total amount of \$ 3.3 million dollars and successfully implement the activity. In order to ensure on-going supply of medical products and increase the coverage of services, UNDP and the MoHMI should start the activities on requirements and budget planning for 2019 and 2020.

### ***Funding from the Global Fund:***

The Global Fund which had provided the TB Grants since 2010, awarded its last transitional grant to Turkmenistan in the amount \$3.9 mln to ensure transition of the interventions currently funded by the Global Fund to full domestic funding by mid-2021. National TB Programme (NTP) of Turkmenistan made significant progress in control of TB over the last decade, resulting into decline of estimated incidence of TB from 88 (2007) to 60 (2016) per 100,000 and mortality from 14 (2007) to 7.6 (2016) per 100,000. The treatment outcomes of new and relapse drug-sensitive cases improved– from 83,6% in 2007 to 86% in 2015. Coverage with drug susceptibility testing (DST) increased from 28% in 2011 to 79% in 2016 due to roll-out of DST at regional level since 2013.

NTP started treatment of MDR-TB in 2013. In 2012 quality assured 2<sup>nd</sup> line TB drugs were not available, by 2016 the NTP made efforts to reach 74% treatment coverage. In total 1,225 cases were enrolled in 2013-2016. The scale up of MDR-TB case detection and treatment was due not only to the Global Fund support, but also to the Government co-funding since 2016. Ambulatory treatment of TB in all regions of the country also contributed to the NTP capacity to manage more MDR-TB cases. Since mid-2017 treatment of extremely drug-resistant TB (XDR-TB) with “novel TB drugs has become available.

The high level of drug resistant TB remains a challenge. According to the 2012 nationwide Drug Resistance Survey (DRS), prevalence of multiple drug resistant TB MDR-TB among new TB cases was 13.9% and among retreatment cases - 37.6%. The data on burden of XDR-TB are not yet available, but the estimation is that about 15% of MDR-TB cases might develop XDR-TB. More precise estimates on the XDR-TB will be available early in 2019 after completion of the 2<sup>nd</sup> DRS. The burden of drug-resistant TB gradually accumulates because of prevalent (backlog) cases not covered by diagnostics and treatment in the previous years.

The second challenge is that as an upper-middle income country after 2021 Turkmenistan is ineligible for the Global Fund TB funding. Thus, the country will fully exit from the Global Fund support by 2021. However, the share of the Government funding of the NTP needs has been already high at 94%, therefore due to low dependence on external funding the risk of NTP transitioning to full domestic financing is moderate-to-low (Transition Preparedness Assessment, 2017). At the same time, NTP needs to address several complex issues related to core mechanisms for building Resilient and Sustainable Systems for Health. To assist NTP with transitioning process, Turkmenistan has been allocated the Global Fund's transitional grant for one allocation period 2018-2021.

It must be noted that the Government of Turkmenistan started transition to domestic funding already in 2016, by signing the cost-sharing agreement (CSA) with UNDP. The detailed plan for transition is as follows:

<b>Supplies:</b>	<b>Funding:</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Cartridges for Xpert MTB/RIF	GF	100%	100%	100%	80%	60%	40%
	GoT	0%	0%	0%	20%	40%	60%
Reagents for liquid culture and DST (automated MGIT)	GF	100%	100%	100%	80%	60%	40%
	GoT	0%	0%	0%	20%	40%	60%
Reagents for M.Tb identification and DST to FLD and SLD (LPA Hain)	GF	100%	100%	100%	80%	60%	40%
	GoT	0%	0%	0%	20%	40%	60%
1st line TB drugs	GF	100%	0%	0%	0%	0%	0%
	GoT	0%	100%	100%	100%	100%	100%
MDR-TB drugs	GF	100%	50%	25%	0%	0%	0%
	GoT	0%	50%	75%	100%	100%	100%
XDR-TB drugs	GF	0%	100%	100%	100%	75%	50%
	GoT	0%	0%	0%	0%	25%	50%

In the CSA the Ministry of Health and Medical Industry of Turkmenistan committed to fund full needs of NTP in 2017 in the 1<sup>st</sup> line TB drugs and 50% of the 2<sup>nd</sup> line TB drugs. In the 2018 CSA the Ministry of Health and Medical Industry of Turkmenistan increased funding of 2<sup>nd</sup> line TB drugs to 75%. During 2018-2021 the country has to gradually take over the funding of all interventions currently covered by the Global Fund.

Besides supplies of reagents and medicines, the Government will also take over the following interventions currently supported by the Global Fund:

Maintenance of Xpert machines	GF covers in 2019-2020, the GoT – starting from 2021
Maintenance of laboratory equipment and ventilation systems	<ul style="list-style-type: none"> <li>• GF covers the maintenance of lab equipment in central and regional TB laboratories in 2018-2020.</li> <li>• GF grant will cover quarterly maintenance of ventilation systems at three regional TB laboratories (Dashoguz, Lebap and Mary), and MDR-TB department of Akhal regional TB hospital in 2018-2020.</li> <li>• The GoT will take over maintenance since 2021</li> </ul>
Patient adherence support	GF covers in 2018-2020, the GoT – starting from 2021

Such gradual takeover was set up by the *Plan for Sustainability and Transition readiness to full domestic financing of the National TB Programme for 2018-2021, National Program for Prevention and Control of Tuberculosis in Turkmenistan in 2016-2020*, and in line with the Global Fund’s sustainability, transition, and co-financing policy.

Thus, this project will contribute to the sustainability of the Global Fund grant and implementation of the plan for the transition to domestic financing, since it covers the need for TB reagents and preparations for future years. Fulfillment of obligations in NTP public financing will be monitored by the Board of the Global Fund.

The project has been developed with the participation of representatives of various ministries, departments, public organizations and target groups: former tuberculosis-diseased patients, medical workers, and representatives of risk groups through the country coordinating committee (CCC).

*Beneficiaries of the project:*

- Patients with tuberculosis, with priority on drug-resistant tuberculosis
- People at risk for STD<sup>1</sup> and HIV infection
- Patients with viral hepatitis C or at risk for viral hepatitis C infection
- Recipients of donor blood
- Health care workers

*Coverage:*

The project will cover the needs of the whole country, including the penitentiary sector. People residing even in the most remote places and rural setting will have access to the quality health products, as the procured goods will be distributed across all health facilities.

*Equity:*

The project activities contribute to implementation of the basic human rights to health by providing universal access to quality diagnostics and treatment of tuberculosis, HIV, STD, viral hepatitis for all citizens. The purchased reagents and drugs will be available free of charge in medical institutions at the primary health care level and at specialized hospitals located in velayats (regions of the country), facilitating patients’ access to services and new technologies.

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<sup>1</sup> STDs - sexually transmitted diseases

## Gender.

The project is designed in such a way that allows all citizens, regardless of gender, age or other factors, to have free access to diagnostic, treatment and consultation services. The availability of healthcare services in close proximity to the place of people's residence reduces gender-related barriers to the access, use and/or following preventive services for women, girls, men, boys, and key populations. Gender-related obstacles may include stigma, discrimination, gender-based violence, access to resources and discrimination based on gender identity or sexual orientation.

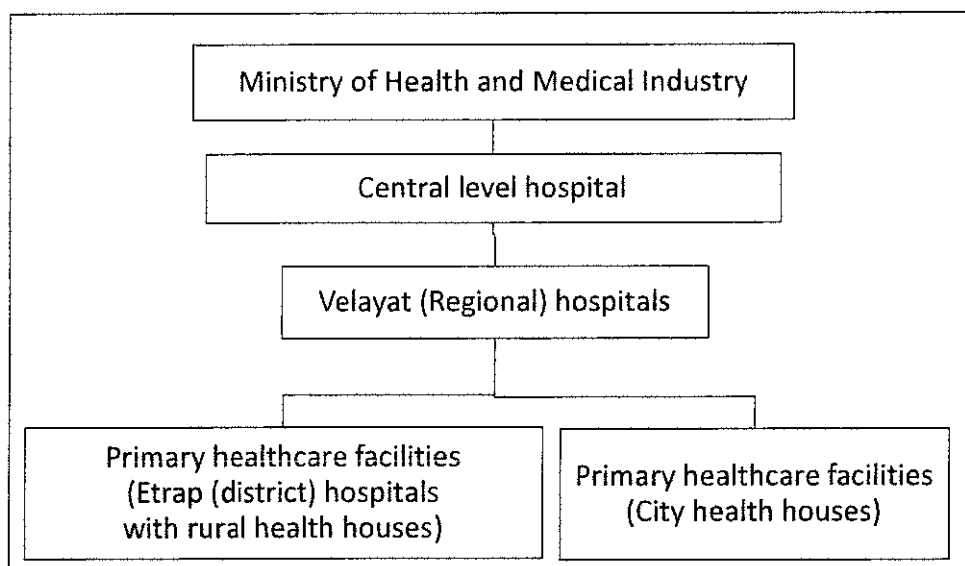
### **Brief overview of the national healthcare service, purchasing, and quality assurance system**

#### *Healthcare structure:*

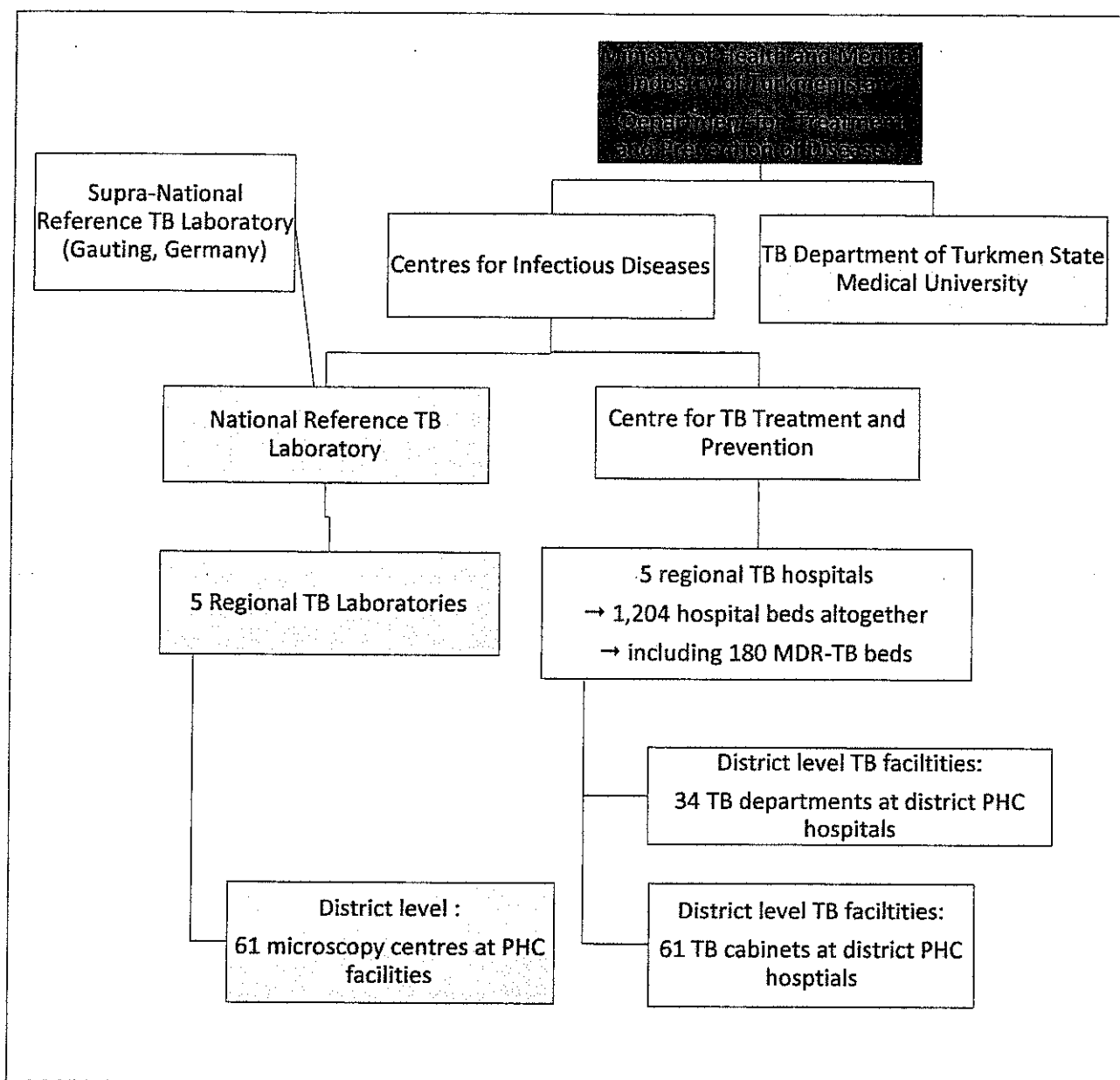
The public healthcare system in Turkmenistan is state-owned and regulated by the Ministry of Health and Medical Industry of Turkmenistan, in accordance with the national health legislation. The goals and objectives of the service for the next 20 years are specified in the state program "Saglyk", developed in line with the Health 2020 policy - which is the framework for the policies and practices in the countries of the WHO European Region. In addition, each health service has its own strategic document:

- Tuberculosis: National Program for the Prevention and Control of Tuberculosis in Turkmenistan for 2016-2020.
- HIV, reproductive health, viral hepatitis and blood safety: National Program for controlling the spread of HIV/ STD, Parenteral Viral Hepatitis in Turkmenistan for 2017-2021.

The purchased reagents and medicines will be used in medical institutions of Turkmenistan, which are organized according to the principle: primary health care → velayat (regional) hospital → central institution, all under the Ministry of Health and Medical Industry of Turkmenistan:



For example, the TB control services include Center for Prevention and Treatment of Tuberculosis located in the capital Ashgabat, 5 velayat hospitals located in the administrative centres of 5 regions, 34 TB departments and 61 TB rooms in etrap (district) hospitals, as well as DOTs rooms in all Health Houses. Besides TB treatment facilities, there is a network of TB laboratories performing various TB tests depending on their level:



The organization of other health programmes is similar.

#### *Health care financing:*

Financing of the health care system in Turkmenistan consists of a combination of sources, including budget and special funds, paid services and voluntary health insurance (VHI). Budgetary funds finance "basic" health care services and the administration of the health sector at national, welayat and etrap levels, as well as major public health functions such as disease surveillance. Primary health care is entirely financed from the budget.

The level of VHI coverage is over 95%. The VHI program covers 90% of costs for medications and 50% for fee-based medical services.

The National TB Program in Turkmenistan is mainly financed by the state budget. The estimated needs of the NTP for the years 2018-2020 are in the total amount of \$ US 47.6 million. From them, \$ US 38.9 million (81.7%) will be covered under domestic sources, \$ US 5.0 million (10.5%) – under the approved

external sources (WHO and Global Fund), and only \$ US 3.7 million (7.8%) represent unfunded gap<sup>2</sup>. External financial support to TB control in Turkmenistan during the last years (2013-2016) has decreased gradually from \$ US 5.4 million in 2013 to \$ US 1.6 million in 2016. The most important external donor of the TB program in country in this period was the Global Fund with \$ US 11.8 million and USAID through the WHO with \$ US 0.8 million. The decreasing of the external financing for TB activities will continue during next years. The Global Fund's transitional grant (2018-2021) will support takeover to full domestic financing by the mid-2021.

The Global Fund monitors the domestic funding for TB. Before approval of the TB grants for 2010-2015, 2016-2018, and the new grant for 2018-2021, the Global Fund makes a financial gap analysis for the country, that has to show the increasing funding for TB and for health in general. Turkmenistan passed all previous analyses. Specific to the transitional grant for 2018-2021 there is a condition that in order to access the full allocation amount, Turkmenistan must meet co-financing requirements. This means that 20% of the Global Fund allocation for each disease component is conditional on increases in co-financing contributions targeting disease program and/or RSSH investments<sup>3</sup> (Annex 7).

#### *National health care monitoring and evaluation:*

Each health programme performs monitoring from the central to subordinate levels: For example, NTP performs quarterly monitoring visits from central to regional and district level TB facilities. Monitoring is done by a team of specialists and a manager from the Ministry of Health and Medical Industry of Turkmenistan. In turn, the regional TB hospitals conduct quarterly monitoring visits to district level facilities. During monitoring visits, the specialists use check-lists for the programme components, such as TB case detection, case treatment, TB case recording and reporting, and drug management. The monitoring schedules are approved by the MOHMI (for the central level staff) and by regional Department of Health (for the respective regions). At the end of monitoring visit in each region the monitoring team debriefs the management on the findings and recommendations. Implementation of the recommendations is followed up by the MOHMI.

The Global Fund performs various exercises to verify the data and ensure quality of the programme: 1) GF hires an independent national expert (Local Fund Agent) who conducts quarterly filed visits to the NTP premises; 2) an international expert performs annual on-site data verifications. Since 2010 when the first Global Fund grant started in Turkmenistan and up to date there were no any major issues identified by the Global Fund verification missions.

Besides monitoring visits, the MOHMI performs regular review of the health programmes. For example, every quarter the MOHMI gather an extended meeting for TB issues, discussing trends in TB epidemiology, stocks, problems etc. At the beginning of a year, the results of the previous year are being thoroughly analysed.

Evaluation of National TB Programme was conducted in 2010 and 2015 with the Global Fund support. The evaluation was done by a group of external (WHO) experts. The next evaluation is planned for 2019. The evaluation findings and recommendations are used both for improvement of the routine services and for policy making, e.g. for planning TB-sector strategy for 5 years. Thus, the recommendations of 2019 evaluation will be used when developing the national TB strategy for 2021-2025.

Similar monitoring, review and evaluations are performed for other health programmes.

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<sup>2</sup> The needs of the program have been estimated in 2015, and calculations have been made based on the projected number of TB cases, and related to them number of tests, reagents and incentives to strengthening the treatment adherence. In this context the 7.8% unfunded gap should be considered carefully, especially taking into consideration the decreasing tendency of the actual notified TB cases during the last years.

<sup>3</sup> The Global Fund's 2017-2019 allocation letter to CCM Turkmenistan, 15 Dec 2016. Annex 7.



## *Monitoring and evaluation by UNDP*

UNDP conducts Monitoring and Evaluation according to corporate Programme and Operations Policies and Procedures.<sup>4</sup> Monitoring is a regular continuous function that is performed through various tools described in this project document, such as annual work plans, project board meetings, field visits, monitoring logs etc. Specifically, this project will perform monitoring efforts in the TB part in accordance with the M&E Plan of the Global Fund grant. UNDP as Principle Recipient of the Global Fund grant in Turkmenistan conducts site visits to the TB facilities, verifying TB reports, stocks of medicines and reagents, quality case management. Concurrently the UNDP specialists provide on-job coaching and advisory support. UNDP used to conduct extensive monitoring visits in the previous Global Fund grants (2010-2017), but now within the transitional nature of the grant in 2018-2021 the UNDP's monitoring is gradually phasing out, at the same time relying more on the national monitoring which has been significantly strengthened since 2010.

Annually UNDP prepares a detailed Programme Update and Disbursement Request (PUDR) – a combined report covering programmatic achievements, expenses vs. approved budget, procurement and overall updates. The PUDR is being independently verified by the Global Funds' Local Fund Agent. The PUDR can be shared with any interested party and is available on the Global Funds web-page for Turkmenistan<sup>5</sup>. The Global Fund also conducts an independent Programme Quality Review (once a year or every other year) involving a visiting programme specialist. In the previous programme quality reviews, there were no any major issues found by the reviewers.

Evaluation is a separate function and is done as per the M&E calendar of the UNDP country office available here: <http://erc.undp.org>. There are country programme evaluations (once per 5-year cycle), outcome evaluations (portfolio evaluations), project evaluations (mid- and end-term), and there are other UN agencies evaluations. At present UN agencies' assistance in Turkmenistan are framed by Partnership Framework for Development for 2016-2020<sup>6</sup> signed between the United Nations and the Government of Turkmenistan. The evaluation of this 5-year programme is planned for 2019. Besides, several separate evaluations are planned for 2019, for example evaluation of national maternal and child health programme, of tuberculosis programme.

## *Procurement and supply chain:*

Quantification of needs in procurement are prepared by national specialists of the relevant services. Public procurement of medical products is carried out by the Ministry of Health and Medical Industry of Turkmenistan. The supplies are stored either in the Turkmenpharmacy (reagents, medicines) or in the Turkmenmedtechnika (medical equipment). The central warehouse of Turkmenpharmacy is equipped with modern temperature control devices, refrigeration units, fire-fighting system, automatic generators in case of power failures. The products are stored on special shelves and pallets. Products are received and shipped through a computerized accounting system. The FEFO (first expiry - first out) principle is applied in distributing the goods, so products with the least shelf life are shipped in the first order.

The distribution of procured and delivered health products are made at the level of the Ministry of Health and Medical Industry of Turkmenistan. Based on the distribution list, the central and velayat hospitals receive their goods from the Turkmenpharmacy's warehouse. Velayat (Region) hospitals then make distribution lists within their region.

Each medical institution keeps inventory logbooks for received and consumed reagents/medicines. Reports on the consumption of each reagent/medicine are made on quarterly basis and collected from the primary health care facility to the regional and further to the central level where the analysis is

<sup>4</sup> <http://popp.undp.org>

<sup>5</sup> <https://www.theglobalfund.org/en/portfolio/country/?loc=TKM&k=cdfdab69-170a-42ea-8b98-8e19e19c685a>

<sup>6</sup> [www.tm.undp.org/content/turkmenistan/en/home/operations/legal\\_framework/jcr\\_content/centerparsys/download\\_3/file.res/Country%20Programme%20Action%20Plan%20\(CPAP\)%20English%202016-2020.pdf](http://www.tm.undp.org/content/turkmenistan/en/home/operations/legal_framework/jcr_content/centerparsys/download_3/file.res/Country%20Programme%20Action%20Plan%20(CPAP)%20English%202016-2020.pdf)

performed. This makes it possible to control the stocks at the level of medical institutions and, where necessary, redistribute between institutions and plan the following orders.

The above-mentioned national storage, distribution and accounting structures is applied in purchasing through UNDP (regardless of funding: the Global Fund or the Government of Turkmenistan).

Annual quality control of TB drugs delivered to Turkmenistan shall be carried out as part of the Global Fund grant. Since 2012, a sample of one TB drug has been annually taken from a peripheral TB facility and sent to an independent analytical laboratory for quality control. In the last 2 years this has been the CHMP laboratory in France. So far, no problems have been detected in the quality of the tested samples since 2012. This serves as indication that conditions for drug storage are adequate at all levels of the TB service.

The quality of TB laboratories is assured through both internal and external quality control system from the Supra-National TB Laboratory (SNRL) in Gauting, Germany. Consultants from the SNRL regularly visit Turkmenistan to provide technical assistance and training, as well as conduct annual quality certification of the National Reference Laboratory.

Regarding other services, quality control is assured by:

- Monitoring of the side effects of the medicines. All medical institutions have forms for notification of the treatment side effects. When any drug side effect is suspected, the attending physician should fill in this form and send it to the Center for Registration of Medicines and State Quality Control, which then takes measures depending on the results of investigation.
- Correct temperature throughout the full transportation and storage chain. Delivery of the cargo to Turkmenistan is carried out only after obtaining all licenses and import permits. If for any reason the cargo arrives earlier than the import permit is received, the cargo is stored at the customs warehouse, where the necessary temperature regime is available. The cargos that require a keep cool or keep frozen temperatures arrive with data loggers, which are opened and analyzed after the customs clearance.
- Compliance with sanitary and epidemiological standards (for example, to prevent the contamination of sterile laboratory glassware and reagents with microflora).
- Compliance with standard operating procedures and instructions for use of the reagents and medicines.
- Strict control of shelf life and use of the first expiring products.

All the conditions for quality assurance are particularly strictly observed with respect to donor blood. This is achieved through the centralized blood transfusion service (BTS) that has well organized and coordinated work at the national level and with the direct assistance from the MoHMI. The Government through the MOHMI prioritizes safety of blood and its components produced by the national BTS. The BTS are expected to be effective, meet the requirements and produces blood in accordance with the standards. BTS is provided with sustainable public funding. Blood sampling and screening for bloodborne infections is carried out only in specialized centers. The Blood Center of the Directorate of Centers for Infectious Diseases is equipped with an infrastructure for round-the-clock temperature and humidity monitoring. It has an autonomous emergency water and electricity supply system. All blood sampling and testing procedures are documented. There is a clear marking system for unchecked blood samples, samples under quarantine, and other stocks. Waste management is regulated by the instructions of the State Sanitary-Epidemiology Services (SES).

Customs procedures are carried out in accordance with the national legislation. All medicines imported to Turkmenistan must be registered with the Center for Registration of Medicines and State Quality Control. The license issued by MoHMI is required for the import of any medical products.

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The agreement will contribute to the achievement of the Outcome 4 in the Partnership Framework for Development signed between the United Nations and the Government of Turkmenistan for 2016-2020: *The population of Turkmenistan, especially vulnerable groups, should have get better access to quality health services, focused on the health of women and children, nutrition, NCD, multiple drug-resistant tuberculosis (MDR-TB), early diagnostics and treatment of diseases. The result of the outcome 4 is related to the National Development Outcome 3.5: Improvement of the population's health insurance system; Diseases prevention, healthy lifestyle promotion, increasing investments in the healthcare sector, bringing the healthcare system into conformity with international standards.*

Ultimately, the agreement will contribute to achieving the Sustainable Development Goal 3: Ensuring healthy lives and promoting well-being for all at all age, namely:

3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases

3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

From a quality, uninterrupted quality supply system to quality treatment.

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## II. STRATEGY

The aim of the project is to ensure quality health care services for the population of Turkmenistan through uninterrupted and quality supplies for TB, HIV, reproductive health, safe blood, and viral hepatitis C services. The project will procure the health products for the Ministry of Health and Medical Industry of Turkmenistan for the needs of the respective services throughout the country.

The Agreement is a strategic approach of the MoHMI, since long-term joint cooperation with the UNDP will bring more efficiency in the national procurement and supply management system through:

- Developing the appropriate legislation and policy to achieve competitive prices and improved provision with medicines. For example, the experience in procurement of TB medicines through GDF will contribute to establishment of such a mechanism in the country that allows making public procurement through GDF and/or regulating procurement exclusively from pre-qualified manufacturers;
- Human resources development capacity: managers, medical personnel, financiers, staff of Turkmenpharmacy will participate in the development and implementation of the project, thereby acquiring the necessary skills: the correct forecasting of consumer needs; contracts awarding criteria; monitoring and evaluation of prices and supplier performance; informed decision-making in the procurement field;
- ensuring transparency in procurement.

Procurement through the UNDP is justified for the following considerations: 1) ensure the quality of health products, since the UNDP buys the products from manufacturers that have been qualified by the WHO and comply with the environmental protection standards; 2) achieve economic efficiency, since at the corporate level, UNDP has long-term agreements with manufacturers and makes consolidated orders for many countries, which allows negotiating low competitive prices; UNDP also has long-term agreements with international freight forwarders, which makes it possible to transport products in a well-

timed and price-saving manner, and in compliance with the temperature requirements; 3) ensure transparent procurement, risk management, insurance and finance management.

According to estimates, the total purchase demand for 2019-2020 is as follows:

<b>Year:</b>	<b>Budget in US dollars</b>
2019	\$ 4,932,845.71
2020	\$ 6,589,721.56
<b>Total:</b>	<b>\$ 11,522,567.27</b>

The total project budget is based on the estimated needs and prices of 2018. Supplies under the separate budget lines (tuberculosis, HIV, blood service, skin, viral hepatitis) in this project may be slightly changed, depending on the amended needs, prices, available funding and other factors. This agreement also allows for the addition of procurement for other health services as agreed between the Ministry of Health and Medical Industry of Turkmenistan and the UNDP in case of such need.

The total funding for the project will be paid in two currencies: US dollars (50%) and Turkmen manats (50%). The funding will be transferred to UNDP in four tranches:

	<b>Tranche Date</b>	<b>Tranche Amount</b>
For 2019 needs (\$4,932,845.71)	before 31.08.2019	USD 1,109,582.77 in manat equivalent <sup>7</sup>
	before 31.08.2019	3,823,262.93 US dollars
For 2020 needs (\$6,589,721.56)	before 01.03.2020	1,938,020.70 US dollars
	before 01.03.2020	USD 4,651,700.87 in manat equivalent <sup>7</sup>

The tranche for 2020 (paid before 01.03.2020) in the amount of 1,938,020.70 US dollars will include the restitution funds, the latter transferred in US dollars in one instalment.

The restitution funds will co-finance this project and used for procurement of 2<sup>nd</sup> line TB medicines for 2020 needs. Use of the restitution funds on a single budget line will enable tracking of the funds use, as UNDP will have one contract with the IDA Foundation of the Stop TB Partnership and can easily extract financial reports. Programmatically, UNDP can show the number of MDR-TB cases put on treatment with the procured 2<sup>nd</sup> line TB drugs, as this is an agreed reporting indicator for the Global Fund's grant.

The project proposed by UNDP will assist the Ministry of Health and Medical Industry of Turkmenistan in procurements for TB, HIV, reproductive health, safe blood transfusion and viral hepatitis C related services. Specific activities will include the following:

- Procurements for TB services:
  - laboratory reagents and consumables
  - TB drugs of the 1st and 2nd line
- Procurement for HIV service:
  - test kits for HIV screening
  - barrier contraceptives
- Procurements for blood transfusion services:

<sup>7</sup>The United Nations operational rate of exchange for Turkmenistan is based on the official exchange rate of the Central Bank of Turkmenistan. Also see article 4 in Section IX.

- laboratory reagents and consumables
- diagnostic equipment
- Procurement for the viral hepatitis C:
  - laboratory reagents and consumables
  - treatment medicines

If necessary, drugs, reagents and medical equipment for other health services, for example skin-venereologic diseases.

Procurement will be carried out by the UNDP by the following methods:

Product:	Procurement method:
Diagnostic reagents and accessories for tuberculosis, HIV, viral hepatitis, blood safety. Medical equipment.	Through the UNDP Procurement Unit, Copenhagen. The department has long-term agreements with manufacturers and consolidators (i.e., they consolidate the orders consisting of various products from different manufacturers). These companies provide cost estimates, delivery times, shelf lives for the products etc. Of these, the best offer on price-quality ratio is selected in agreement with the end-users.
1 <sup>st</sup> line TB drugs	<p>UNDP has long-term agreements with the manufacturers of 1<sup>st</sup> line TB drugs prequalified by WHO (for example, Lupin, Macleods) with fixed low prices. The contracts with these companies is signed in agreement with the end-users.</p> <p>UNDP purchases medicines by generic name (international non-proprietary name), but the WHO prequalification is mandatory for all TB medicines.</p>
2 <sup>nd</sup> line TB drugs	UNDP procures through the Global Drug Facility (GDF), which is recommended by WHO and the Global Fund. GDF has contracts with manufacturers of the TB medicines. UNDP enters into a contract through GDF. UNDP purchases medicines by generic name (international non-proprietary name), but the WHO prequalification is mandatory.
Contraceptives	UNDP purchases through the United Nations Population Fund (UNFPA) procurement office in Copenhagen, which has long-term agreements with manufacturers. UNFPA provides quality assurance of contraceptive supplies.
Medicines for the treatment of viral hepatitis C	<p>Currently, UNDP headquarters is in the process of obtaining the long-term agreements with manufacturers of the medicines for VHC, prequalified by WHO. The contracts with these companies will be signed in agreement with the end-user.</p> <p>UNDP purchases medicines by generic name (international non-proprietary name), but the WHO prequalification is mandatory.</p>

Immediately upon completion of the customs clearance procedure of the arrived cargo, the medical goods will be transferred by UNDP to full ownership of the Implementing Partner by signing "Act of acceptance-transfer".

The project timeframe is provided in the below table:

	Apr- June 2019	July- Sep 2019	Oct- Dec. 2019	Jan- Mar 2020	Apr- June 2020	July- Sep 2020	Oct- Dec 2020
Quantification and budget calculation	x						
Signing of the UNDP-MoHMI project	x						
UNDP receives funds		x		x			
UNDP starts procurement processes (requests for quotations)							
Offers are analyzed and discussed with national partners	x	x	x	x			
Signing the contracts	x	x	x	x	x		
Deliveries <sup>8</sup>		x	x	x	x	x	
Reports to MoHMI and MFE		x		x		x	
Payments	x	x	x	x	x	x	x
Final report							x
Project closure (or extension in a new agreement)							x

Amount of the proposed procurements will be small compared to the total amount of procurements of other medicines and reagents made by the MoHMI through their own tenders; however, it will be sufficient to fully meet the needs of the above listed services in the country. When necessary, this agreement can be supplemented with the purchases for other healthcare services.

### III. RESULTS AND PARTNERSHIPS

#### *Expected Results*

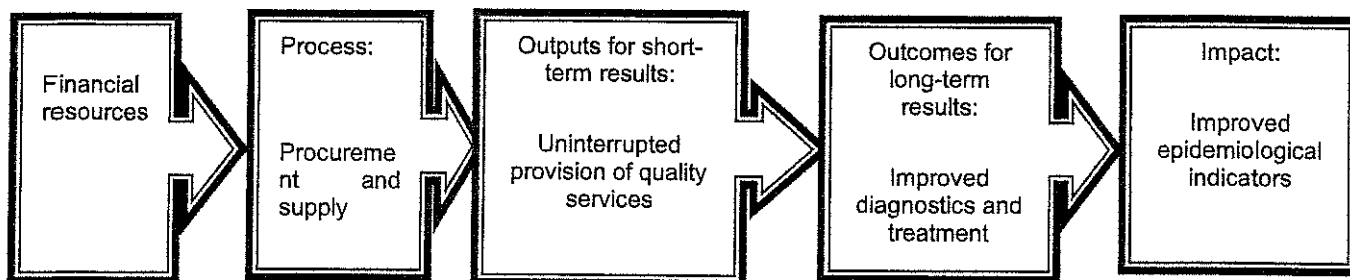
The purpose of this project is to contribute to ensuring quality health care services for the people of Turkmenistan through uninterrupted and quality supplies for TB, HIV, reproductive health, safe blood, and viral hepatitis C services. The project covers needs all over the country.

The expected result of the project will be the uninterrupted supply of quality reagents and medicines for the diagnosis and treatment of tuberculosis, HIV testing, prevention and timely detection of sexually transmitted diseases, skin-venereologic diseases, for ensuring blood transfusion safety, diagnosis and treatment of viral hepatitis C.

For a detailed table of indicators, please see page 21.

Simplified logical matrix of the project results is shown in the following flowchart:

<sup>8</sup> The delivery of the 2<sup>nd</sup> line TB drugs will be made in two shipments to ensure fresh shelf life. Since MDR-TB treatment takes 20-24 months, it is more reasonable to sign one contract, but in two deliveries.



A multivector approach to investing in procurement under this agreement shall allow countrywide improvement of coverage, accessibility and quality of health services.

**Resources Required to Achieve the Expected Results**

- Financial resources: this agreement will be funded by the Ministry of Health and Medical Industry of Turkmenistan. The part of the project budget on the procurement of second line TB medicines will be covered by the restitution funding as described on p. 11. The flowchart of financing is presented in Annex 4. Transfer of funds will be done in several installments, as spelled out in the Cost-sharing agreement between the United Nations Development Programme and the Ministry of Health and Medical Industry of Turkmenistan.
- Human resources:
  - The agreement will be mainly implemented by the existing UNDP TB project team financed by the Global Fund, which includes a manager, a procurement specialist, a finance specialist, a TB specialist, a laboratory specialist, a logistics assistant, and a driver. The Global Fund will cover the project staff salaries. For execution of the CSA the GF project in agreement with the MoHMI will hire additional staff, depending on the estimated workload.

Administrative resources:

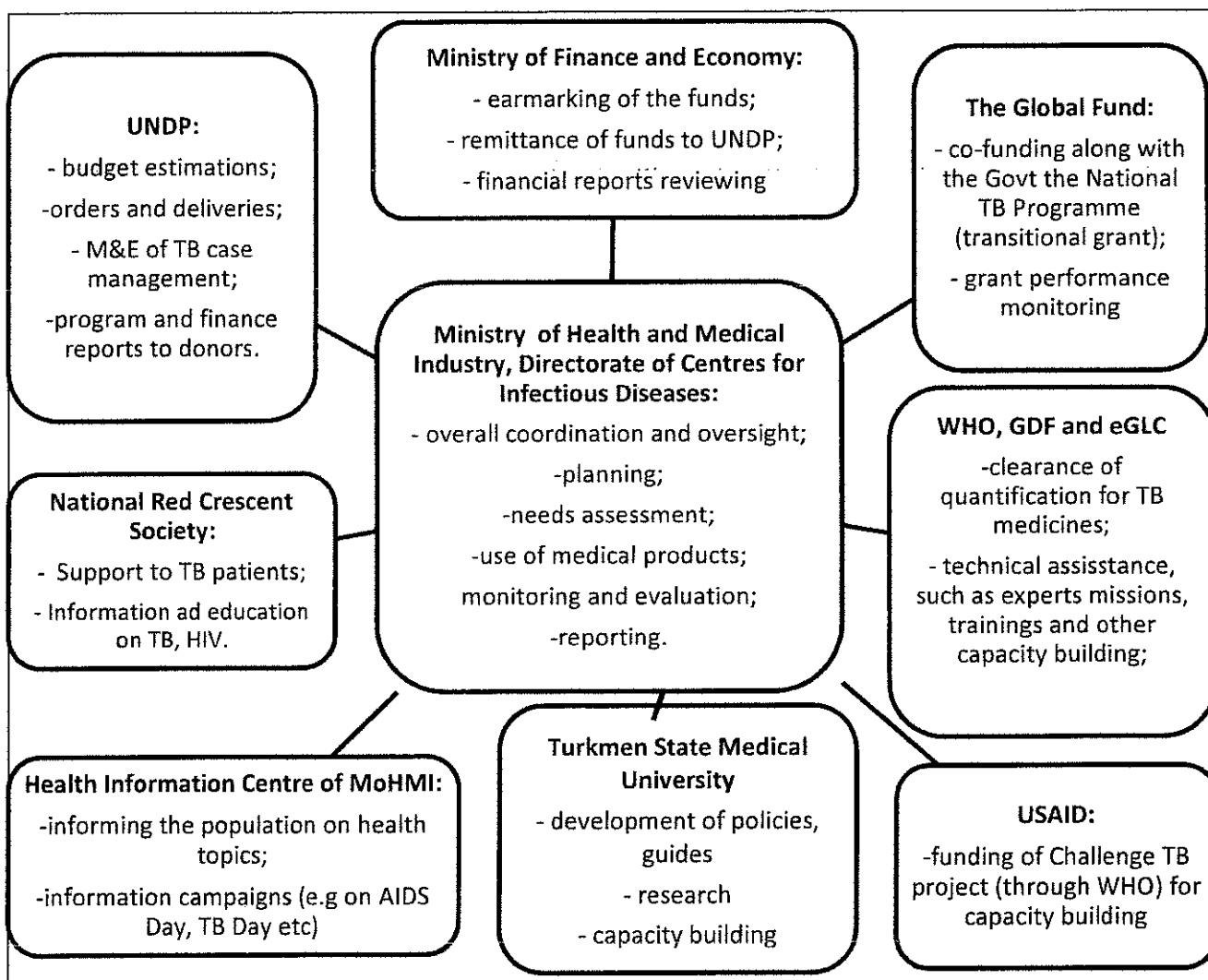
- The agreement will be implemented by UNDP in accordance with the Cost-sharing agreement in terms of office rent, financial and procurement mechanisms.
- The customs procedures and storage of medical products will be done in accordance with national regulations and using the available storage facilities of the Turkmen Pharmacy and Directorate of the Communicable Diseases Centers.

It must be noted that this project is merely for procurement services, aiming at delivery of quality hardware (reagents and medicines). The needs in capacity building, technical assistance, supervision, and the like “software” is covered by other funding: the Global Fund’s TB grant implemented by the UNDP, Challenge TB project implemented by the WHO country office, domestic funding (there are various post-graduate trainings from 1 to 3 months duration available for the health specialists). Specific to drug-resistant tuberculosis, Turkmenistan receives support from the European Green Light Committee - a WHO’s advisory body. The eGLC expert visits Turkmenistan annually, conducting review of detection and treatment of drug-resistant tuberculosis, provides recommendations for improving quality of programmatic management of DR-TB. The cost of eGLC fee (\$25,000 per year) is covered by the Global Fund. Please also see a graph below in Partnerships sections, for a visual presentation of various partners contributing to TB control efforts in Turkmenistan.

## Partnerships

The Ministry of Health and Medical Industry of Turkmenistan will be the main partner of UNDP under this project. The Directorate of Centres for Infectious Diseases will play a leading role, particularly in the needs assessment and planning. The project will request technical assistance from international partners such as WHO, GDF, UNFPA, which can provide advice on quantification of needs and specifications, and also act as procurement agencies.

Public organizations in Turkmenistan, such as the National Red Crescent Society, will implement a program to support the treatment adherence of patients with MDR-TB. The project will request the feedback of the end users (health workers, patients, most-at-risk people) regarding their views on service improvement. A simplified visual presentation of the partnership is as follows:





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## ***Risks and Assumptions***

The project will work using already well-established procurement mechanisms. Possible risks are:

- Fluctuations of the products' prices and transportation fares, especially due to the fact that the budget estimates are based on the 2018 contracts, while prices can change over time;
- Changes in the Euro/USD exchange rate may affect the project budget because some suppliers request that payments should be made in euros while the budget operates in the US dollars;
- Changes in the exchange rate of the national currency may affect the project budget; therefore, the budget is calculated in the US dollars; however, actual payments will be made according to the official exchange rate on the date of tranche from Ministry of Finance to UNDP.

The project is based on the assumption that a high quality and uninterrupted supply of medical services for tuberculosis, HIV, reproductive health, safe blood transfusion and control of viral hepatitis is a priority for the Ministry of Health and Medical Industry of Turkmenistan. The implementation of the project and its success depend on the continued support of the Ministry of Health and Medical Industry of Turkmenistan, timely obtaining of all approvals for the project, and the allocation of the necessary financial resources.

## ***Lessons learned***

The project was developed taking into account the experience and lessons learned in the implementation of the Global Fund grants (since 2010) and the joint procurement agreements between UNDP and MoHMI (since 2016):

- Since 2010, Turkmenistan received two TB grants: within the Round 9 and a new funding model, in total about \$25 million. In both grants, the key observation is that the Government is strongly committed to fight against TB. The implemented grant activities have been fully supported by the MoHMI and operated in favorable environment. The MoHMI efficiently coordinated in-country stakeholders in TB and cross-cutting areas, with no duplication of their efforts. The MoHMI is receptive to innovative technologies and service delivery with the proven evidence: new molecular diagnostics, such as Xpert MTB/RIF (Cepheid) and GenoType MTBDRplus assay (Hain Lifescience) have been introduced since 2013, ambulatory model has been in pilot since 2016, and most recently the treatment with "new" TB drugs has been launched. The lesson to extrapolate is that the transitional grant will be given the same high priority and support from the Government.
- The Government was proactive in starting early transition from the Global Fund support, e.g. taking over the funding of TB drugs and reagents already in 2016 fiscal year – 2 years in advance of the transitional grant. It is important to note that the Government has decided to procure TB drugs and reagents through UNDP, because of cost-effectiveness, transparency, and quality assurance of medical products. The lesson learned is that the established cooperation between UNDP and MoHMI is mutually beneficial and will continue after the completion of the Global Fund grant.
- Regarding procurement and supply chain system, the Global Fund grants' PSM were not a parallel system but worked within the national structures. There were no cases of stock-outs, expiration or pilferage of drugs.
- The main lesson learned from previous joint procurement agreements is the importance of accurate budget estimates. Because prices for medical products and the freight costs change, the ratio of euro to dollar fluctuates, prices in the local market (for transport services, standardization, etc.) change - these factors carry the risk that the estimated funding may not be sufficient for fulfillment of all obligations. In this regard, when calculating the current budget, the

latest quotes were used. However, forecasting the euro / dollar and local currency is not possible, although the assumption is that these fluctuations will not exceed 10% and the budget can cover these fluctuations. In the case, on the contrary, of a favorable euro exchange rate, or a reduction in prices, that is, if savings occur, this will be informed by MoHMI and together with the Country Coordination Mechanism (CCM) the decision will be made on required reprogramming.

### ***Sustainability and scope expansion***

The project includes the procurement of reagents and drugs for tuberculosis. This part of the project will contribute to the Global Fund grant's sustainability. Also, it is related to the fulfillment of the Global Fund's co-financing and transition readiness requirements.

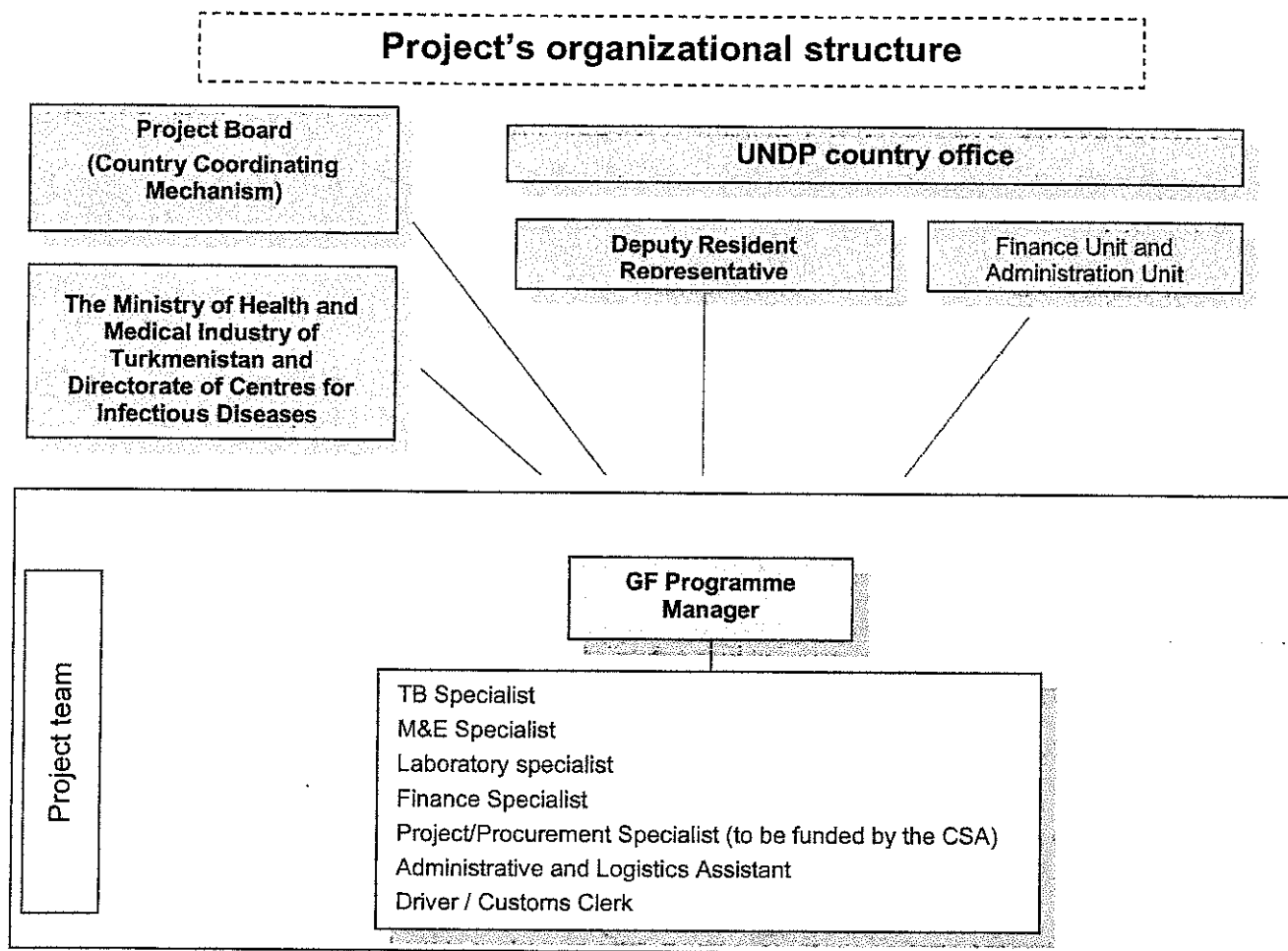
As part of the Global Fund's transition grant, technical assistance is planned so that the national procurement and supply chain can function without UNDP, i.e. to procure the same quality medical products at an affordable price, and in accordance with the efficiency and transparency principles. During the transition grant in 2019-2020, MoHMI will systematically strengthen the procurement system in order to exit not only from the support of the Global Fund grant in 2021, but also the subsequent withdrawal from UNDP support in the procurement of medical products (the timeframe has not yet been established).

Procurement mechanisms established under the project shall contribute to the strengthening of the health system. The project itself was developed to encourage continuous professional capacity building and facilitate sustainable institutions within the Ministry of Health and Medical Industry of Turkmenistan and Directorate of Centres for Infectious Diseases to improve procurement procedures after completion of the project (see section II Strategy on page 10-12).

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## **IV. PROJECT MANAGEMENT**

The project will be implemented through the national implementation mechanism (NIM). The project will work in close partnership and in the framework of the UNDP TB project which is currently financed by the Global Fund:



The Global Fund's project resources will be used for the Agreement implementation, in particular: procurement, payments, customs clearance, administration and management.

The **Ministry of Health and Medical Industry of Turkmenistan** will coordinate, as the key national partner, all aspects of the project implementation. This role is in line with the MoHMI role of the national institution which is responsible for the healthcare, including supply of health facilities with necessary medicines, reagents and equipment. The **Directorate of Centres for Infectious Diseases** will play its leading role in the technical issues related to the project implementation at the working level.

**The Ministry of Health and Medical Industry of Turkmenistan and Directorate of Centres for Infectious Diseases will:**

- Prepare the lists of products to be procured on an annual basis, with detailed specifications, numbers and delivery dates;
- Appoint a national focal point to facilitate the project implementation;
- Assist UNDP with timely receipt of funds to operationalize the procurement;
- Accept or reject procurement proposals (items, prices, expiration/shelf life dates), provided by UNDP;
- Facilitate registration of medicines in the MoHMI Center for Registration of Medicines and State Quality Control;
- Assist with obtaining customs clearances and permits from the Turkmen Standards Agency for procured equipment;
- Upon arrival of cargo from UNDP, prepare the products' distribution lists and provide transportation to the points of destination;
- Assist with the responsible storage of goods, when needed;

- Provide storage spaces for the arrived goods before their distribution and dispatch to the provinces;
- Propose possible re-programming of saved funds;
- Organize regular meetings of the Project Coordination Committee (Project Board).

Overall management of the project will be performed by the **Project Board (Country Coordination Mechanism (CCM))**. CCM is a national committee created in 2006 for the first application for the Global Fund's TB grant. The CCM includes representatives from government, academia, civil society, faith-based organization international and bilateral agencies (UN, USAID), and people affected by the diseases. The Country Coordinating Mechanism:

- Coordinates the development of the national request for the Global Fund funding
- Nominates the Principal Recipient and Sub-Recipients of the Global Fund grant
- Oversees the implementation of approved grants
- Approves any reprogramming requests
- Ensures linkages and consistency between Global Fund grants and other national health and development programs.

CCM functions, including managing Conflict of Interest, rotation of the Chair, voting, are regulated by the CCM Statute developed in accordance with the Global Fund recommendations. The meetings of the Project Board/CCM will take place before the project launch with aim of approval of the project, then at least once a year to discuss and approve an annual work plan for the next year. Additional meetings can also be called for the updates, reporting and re-programming purposes, when necessary.

CCM meeting reports can be made available for the partners of the current project.

Besides CCM, there will be a narrow working group for the oversight of restitution funds. It will consist of the representatives of the three parties:

- UNDP Turkmenistan:
  - Resident Representative or Deputy Resident Representative
- The Government of Turkmenistan:
  - Ministry of Foreign Affairs
  - Ministry of Finance and Economy
  - Ministry of Health and Medical Industry
- Switzerland:
  - Senior Advisor on Asset Recovery or its delegate.

Meetings or teleconferencing of this working group can be called ad hoc if any party deems it necessary.

#### **UNDP will:**

- Perform procurements based on the requests from the Ministry of Health and Medical Industry of Turkmenistan;
- Obtain customs clearances and unload the goods to the storage facilities of Turkmenpharmacy or Directorate of Centres for Infectious Disease;
- Facilitate registration of medicines in accordance with the national legislation;
- Submit regular programmatic and financial reports of the project implementation to the Ministry of Health and Medical Industry of Turkmenistan;

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- Report information on the saved funds to the MoHMI and make decisions of their re-programming together with the MoHMI.

The main part of the project implementation from UNDP will be performed by Procurement/Project Specialist hired to implement this agreement under the supervision of the Global Fund Programme Manager and other programme staff, including the UNDP Resident Representative and Deputy Resident Representative as the authorized representatives. The Global Fund project staff will perform routine project operations. UNDP country office staff will help the project with the administrative issues, including logistical and financial procedures.



## V. OUTCOMES STRUCTURE<sup>9</sup>

The project will use the Monitoring Plan for the Global Fund grant, since 1) the Agreement's major part is aimed at procurement for NTP and enables monitoring of the co-financing commitments of the Government; 2) The NTP monitoring and evaluation plan is well developed, routine data collection, standard report forms are established; 3) a verification system is established by the UNDP and the Global Fund.

Level	Indicators <sup>10</sup>	Data Source	Baseline		Targets		Data collection methods
			Value	Year	2019	2020	
Impact indicators	TB mortality rate (per 100,000 population)	MoHMI	3.2	2017	2.7	2.4	NTP routine data collection Disaggregated by sex.
	Prevalence of MDR-TB among new TB cases	MoHMI	13.9%	2013	13%	13%	Drug Resistance Survey, 2018; NTP routine data collection
Outcome indicators	Treatment Success Rate among DR/TB and MDR/TB: percentage of successful treatment among DR/MDR-TB	MoHMI	68%	cohort of 2014	70%	72%	NTP routine data collection. Disaggregated by sex.
	Treatment coverage: the percentage of new and relapse TB cases which were detected and reported among the estimated number of TB cases in the same year.	MoHMI, WHO	62%	2016	85%	90%	NTP routine data collection; WHO Annual Global TB Report.
Process indicators	Number of RR/MDR-TB cases enrolled on second-line therapy	MoHMI	387	2018	424	437	NTP routine data collection Disaggregated by sex.

<sup>9</sup> UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

<sup>10</sup> It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

## VI. MONITORING AND EVALUATION

In accordance with UNDP's policies and procedures, the project will be monitored through the following monitoring and evaluation activities:

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)	Accessible to Switzerland
Track results progress	Progress data will be regularly analyzed to assess the implementation	On-going	In case the progress is slower than expected, project management shall take appropriate actions.	MoHMI DCID	-	Yes
Monitoring and risk management	Identify specific risks that may hinder achievement of the intended results.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is maintained to keep track on regular base.	MoHMI DCID	-	Yes
Lessons learned	Knowledge, best practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	On-going	Relevant lessons are captured by the project team and used to inform management decisions.	MoHMI DCID	-	Yes
Quality assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. Annex 1.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	MoHMI DCID	-	Yes
Project Report	A progress programmatic and financial report will be presented to the Project Board, donors and key stakeholders. UNDP will share with the Switzerland the PUDRs (Programme Update and Disbursement Request) – the annual report in the Global Funds' format. Regarding the reports of the Global Fund's independent Programme Quality Reviews (once a year or every other year) conducted by LFA, the reports are not available on the web as the GF has a non-disclosure agreement with the LFAs, but the GF may share the report directly with the SDC upon request.	Annually, and at the end of the project (final report)	Areas of strength and weakness, achievements and drawbacks will be reviewed by project board and used to inform decisions to improve project performance.	MoHMI DCID	-	Yes
Project Review (Project Board/CCM)	The project's governance mechanism (i.e., project board (CCM)) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the project lifecycle.  In 2019, it is expected to review the achievements of the National Tuberculosis Program by WHO experts.	At least annually	Quality concerns or slower than expected progress will be discussed by the project board/CCM.	MoHMI DCID	-	Yes



**VII. MULTI-YEAR WORK PLAN** <sup>1112</sup>

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

**Period:** 2019-2020

**Budget:** USA dollar

**Financing sources:** The Government of Turkmenistan

No.	PLANNED ACTIVITIES	PERFORMANCE PERIOD		Responsible agency	Fund sources	PLANNED BUDGET	
		2019	2020			Code of budget line	Amount, US dollars
1	Procurement of health products and the related freight, insurance, customs clearance and other PSM costs	x	x	UNDP	MOHMI	64300, 72300, 72200, 74500, 74700	\$10,600,947.21
2	Cost of registration of medicines (market authorization)	x	x	UNDP	MOHMI	72300	\$11,000.00
3	Direct Project Costs of the UNDP country office	x	x	UNDP	MOHMI	61100, 61200, 64300, 71400, 74500	\$156,807.25
4	7% for UNDP GMS fee	x	x	UNDP	MOHMI	75100	\$753,812.81
	<b>Total:</b>						<b>\$ 11,522,567.27</b>

<sup>11</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>12</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.



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## VIII. LEGAL CONTEXT AND RISK MANAGEMENT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Turkmenistan and UNDP, signed on 5 October 1993. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the Ministry of Health and Medical Industry of Turkmenistan and Directorate of Centres for Infectious Diseases ("Implementing Partners") in accordance with their financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

### Risk management standards:

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner, its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) develop and adhere to an appropriate security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner's security and carry out the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/ag\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.
4. Consistent with UNDP's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any risk management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP

8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively

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investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

## IX. SPECIAL CLAUSES

1. The Ministry of Health and Medical Industry of Turkmenistan and UNDP will sign Cost-sharing agreement between the United Nations Development Programme and the Ministry of Health and Medical Industry of Turkmenistan for implementation of the current Project in the amount of 11,522,567.27 (eleven million five hundred twenty two thousand five hundred sixty seven US dollars and twenty seven US cents), which will be transferred to the following accounts of UNDP as follows.
2. The Ministry shall, in accordance with the schedule of payments set out below, *transfer in manat equivalent the contribution in the amount of USD 5,761,283.64 (five million seven hundred sixty one thousand two hundred eighty three USD sixty four US cents)* to the manat account of the UNDP Country office in Turkmenistan in the Turkmen-Turkish Commercial Bank, account no. 23203934273168502583000:

Date payment due	Amount
before 31.08.2019	USD 1,109,582.77 (one million one hundred nine thousand five hundred eighty-two US dollars, seventy-seven US cents) in manat equivalent
before 01.03.2020	USD 4,651,700.87 (four million six hundred fifty-one thousand seven hundred US dollars, eighty-seven US cents) in manat equivalent

3. The Ministry shall, in accordance with the schedule of payments set out below, *transfer in USD the contribution in the amount of USD 5,761,283.63 (five million seven hundred sixty one thousand two hundred eighty three USD sixty three US cents)* to the US dollars account of the UNDP in the Citibank N.A, 111 Wallstreet New York, NY 10043), account number 36349562 and details: SWIFT no. CITIUS33, ABA no. 021000089:

Date payment due	Amount
before 31.08.2019	USD 3,823,262.93 (three million eight hundred twenty-three thousand two hundred sixty-two US dollars, ninety-three US cents)
before 01.03.2020	USD 1,938,020.70 (one million nine hundred thirty-eight thousand twenty US dollars, seventy US cents)

The tranche for 2020 (paid before 01.03.2020) in the amount of 1,938,020.70 US dollars will include the restitution funds, the latter transferred in US dollars in one instalment.

4. The value of the Contribution, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange<sup>13</sup> in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the Contribution, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
5. The above schedule of payments takes into account the requirement that the Contribution shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

<sup>13</sup> The United Nations operational rate of exchange for Turkmenistan is based on the official exchange rate of the Central Bank of Turkmenistan.

6. UNDP receives, manages and uses the Contribution aimed at attaining the project objectives and in accordance with its applicable regulations, rules and directives of UNDP, including, in particular financial regulations issued by the UNDP Executive Board.
7. UNDP shall submit to the Ministry of Health and Medical Industry of Turkmenistan reports on the project implementation and financial report in accordance with Article 4 of the Co-financing Agreement between the Government of Turkmenistan and UN Development Programme dated 22 June 2016. All financial accounts and statements shall be expressed in United States dollars.
8. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Ministry
9. on a timely basis a supplementary estimate showing the further financing that will be necessary. The Ministry shall use its best endeavours to obtain the additional funds required.
10. If the payments referred above are not received in accordance with the payment schedule or additional arrangements and are not forthcoming from the Ministry or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
11. Any interest income attributable to the contribution shall be credited to UNDP account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 7% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country office
  - (b) Direct cost for implementation support services (ISS) provided by UNDP and implementing partner.
12. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

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## **X. ANNEXES**

1. **Project Quality Assurance Report** (attached)
2. **Social and Environmental Screening Assessment** (attached)
3. **Risk Log** (attached)
4. **Flowchart of financing for the project** (see below)
5. **Country Programme Action Plan and UNDAF** (attached)
6. **UNDP Quality Standards and Assurance guide** (see below)
7. **Global Fund's 2017-2019 allocation letter to CCM Turkmenistan, 15 Dec 2016** (attached)
8. **Detailed annual work plan and budget with cost assumptions** (in excel, attached)
9. **Detailed disbursements plan** (in excel, attached)



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#### **Annex 4. Flowchart of financing for the project:**

1. Project Document is signed by UNDP and Ministry of Health and Medical Industry of Turkmenistan
2. UNDP issues invoice to Ministry of Health and Medical Industry of Turkmenistan based on the agreed budget
3. Ministry of Health and Medical Industry of Turkmenistan makes payment to UNDP accounts
  - a. Payment can be done in several instalments, as spelled out in the Cost-sharing agreement between the United Nations Development Programme and the Ministry of Health and Medical Industry of Turkmenistan.
  - b. Payment will be done 50% in USD and 50% in local currency, as spelled out in Cost-sharing agreement between the United Nations Development Programme and the Ministry of Health and Medical Industry of Turkmenistan.
  - c.
4. Restitution funds are paid by Ministry of Finance and Economy of Turkmenistan to UNDP account only in US dollars.
5. UNDP contracts the suppliers and makes payments upon receipt of goods
6. UNDP provides regular financial reports (Combined Delivery Reports) to the Ministry of Health and Medical Industry of Turkmenistan and Ministry of Finance and Economy of Turkmenistan.

The project will be co-funded by the restitution funds. For receipt and utilization of the restitution funds UNDP will create a separate project in Peoplesoft – a web-based project management platform called internally Atlas. The project in Atlas will show financial resources mobilized from restitution funds, the project expenditures as defined in the project budget. Finance reports can be extracted on regular basis, filtered by source of funding, activity, etc. This ensures easy and transparent revenue management and cash management.

## **Annex 6. UNDP Quality Standards and Assurance**

1. Quality standards for programming strengthen and enable the achievement of results and development effectiveness and efficiency when reflected in programmes and projects. This annex outlines UNDP's programming quality standards and mechanisms to assure programming quality.
2. All country, regional, and global programmes and projects are required to adhere to the quality standards for programming, for which managers are accountable.
3. The programming quality standards that must be adhered to, by quality criterion, are outlined as follows:

### **Strategic:**

a. Programming priorities and results are consistent with the UNDP Strategic Plan and aligned with the United Nations Development Assistance Framework (UNDAF). Programmes and projects are based on clear analysis backed by evidence and theories of change, justifying why the defined approach is most appropriate and will most likely achieve, or contribute to, the desired development results along with partner contributions. The role of UNDP vis-à-vis partners has been deliberately considered. New opportunities and changes in the development context are regularly re-assessed with any relevant adjustments made and actions taken, as appropriate.

### **Relevant:**

b. Programming objectives and results are consistent with national needs and priorities, as well as with feedback obtained through the engagement of targeted excluded and/or marginalized groups as relevant. Programming strategies consider interconnections between development challenges and results. A gender analysis is integrated to fully consider the different needs, roles, and access to/control over resources of women and men and appropriate measures taken to address these when relevant. Programmes and projects regularly capture and review knowledge and lessons learned to inform design, adapt and change plans and actions as appropriate, and plan for scaling up.

### **Social and environmental standards:**

c. Social and environmental sustainability are systematically addressed throughout UNDP's programming in an integrated way. All programming applies the core principles of human rights, gender equality, and environmental sustainability. Potential harm to people and the environment is avoided wherever possible and otherwise minimized, mitigated and managed. The complete Social and Environmental Standards can be found here.

### **Management and monitoring:**

d. Outcomes and outputs are defined at an appropriate level, are consistent with the theory of change, and have SMART, results-oriented indicators with specified baselines and targets and identified data sources. Gender sensitive, sex-disaggregated indicators are used when appropriate. Relevant indicators from the Strategic Plan's Integrated Results and Resources Framework (IRRF) have been adopted into the programme or project's results framework. Comprehensive, costed monitoring and evaluation plans are in place and implemented to support evidence-based management, monitoring, and evaluation. Risks and opportunities are identified, with appropriate plans and actions taken to mitigate and manage risks. Governance of programmes and projects are defined with clear roles and responsibilities and function as intended to provide active and regular oversight to inform decision-making.

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**Efficient:**

e. Programming budgets are justifiable and valid, and programming design and implementation includes measures to ensure efficient use of resources. The size and scope of programmes and projects are consistent with resources available and planned to be mobilized. Plans include consideration of scaling up and links with other relevant initiatives to achieve greater impact, and procurement planning is done early and is regularly reviewed. Monitoring and management include analysis of and actions to improve efficiency in delivering desired outputs with the required quality and timeliness, such as CO support to National Implementation (NIM). Costs are fully recovered (see Cost Recovery Policy.)

**Effective:**

f. Programming design and implementation is informed by relevant knowledge, evaluation and lessons learned to develop strategy and inform course corrections. Targeted groups are systematically identified and engaged, prioritizing the marginalized and excluded. Results consistently respond to gender analysis and is accurately rated by the gender marker. Managers use data from monitoring in decision making to maximize achievement of desired results. South-South and Triangular Cooperation is used to achieve results, when relevant, and these aspects of results delivery are captured in the results framework. The required implementing partner assessments have been conducted and the implementation modality chosen is consistent with the results of the assessment.

**Sustainability and national ownership:**

g. Programming is accomplished in consultation with relevant stakeholders and national partners, who are engaged throughout the programming cycle in decision-making, implementation, and monitoring. Programming includes assessing and strengthening the capacity and sustainability of national institutions. A strategy for use of national systems is defined and implemented, if relevant, and monitoring includes use of relevant national data sources, where possible. Sustainability of results is accomplished through tracking of capacity indicators and implementation of transition and scale up plans.

4. To assure adherence to the quality standards, UNDP-supported programming is monitored and recorded through objective programme and project quality assurance (QA) assessments. Along with regular programme and project monitoring, QA assessments ensure that at the design stage and at least annually during implementation and at closure there is a formal focus on key performance issues outlined across seven quality criteria, to ensure improved development effectiveness and greater accountability for results.

5. Quality assurance assessments are required for all UNDP programmes and projects, regardless of their budget, size, location, duration, characteristics, context, or circumstances.

